

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

A.P.M.D.C Ltd., - Mobilisation Advance – Release of mobilization advance to M/s. VLC-SCKC JV, Hyderabad to a tune of Rs.19.75 Crores for excavation and removal of Ore & OB at Mangampet Barytes Project – Permission – Accorded.

INDUSTRIES & COMMERCE (M-II) DEPARTMENT

G.O.Ms.No. 241

Dated:29-8-2008

Read the following:

From the VC & MD., A.P.M.D.C.Ltd., File No.APMDC/ Dy.GM(Mining)/ F118/2008.

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ORDER:-

In the reference read above, the VC & MD., A.P.Mineral Development Corporation Limited has stated that based on the open public tenders and as approved by the Board, the Corporation entered into an agreement on 04-07-2008 with M/s. VLC –SCKC JV for excavation and removal of 45 lakh CBM of overburden and 15 lakh Mts of Barytes ore per annum for a period of 5 years with a provision for extension by 2 more year at the discretion of the Corporation under Tender No.MBP/EXC/2/2008. The mining contractor submitted security deposit-cum-performance bank guarantee for Rs.389.87 lakhs under the agreement.

2. The VC&MD has also stated that M/s. VLC–SCKC JV vide their letter dt: 16-07-2008 requested the APMDC to sanction an amount of Rs.19.75 crores, being 5% value of the work for five years towards mobilization advance. They have also stated that they require Rs. 50.00 crores for purchase of equipment, Rs.4.00 crores towards miscellaneous expenditure and Rs.5.00 crores towards working capital for start up of the operations. They further informed that the mobilization advance can be recovered from their regular bills over a period of 2 years from the date of execution of the work. They have also further stated that they would arrange required bank guarantees on hearing from them.

3. The VC & MD has placed the matter before the Board at its 343rd meeting held on 25-7-2008 and the Board on its detailed deliberations accorded approval, subject to obtaining the approval of Government, to sanction an amount of Rs.19.75 crores as advance to M/s. VLC-SCKC JV Excavation Contractor at Mangampeta Barytes Project on submission of Bank Guarantee to cover the principal amount of Rs.19.75 crores and the interest at such rate on fixed deposits parked with Nationalized Bank basing on prevailing highest rate of interest+2%. The amount so advanced plus interest will be recovered from the running bills of the Excavation Contractor over a period of 24 equal monthly installments. Further the Board desired that the interest lost on account of premature withdrawal of fixed deposits for payment of the above loan may also be recovered from the Excavation Contractor.

4. The VC & MD., A.P.Mineral Development Corporation Limited has therefore requested the Government to approve the proposal at para 3 above.

5. The Government after careful examination of the matter hereby permit the VC & MD., A.P.Mineral Development Corporation Limited to release an amount of Rs.19.75 crores as advance to M/s. VLC - SCKC JV Excavation Contractor at

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Mangampeta Barytes Project on furnishing of Bank Guarantee to cover the principal amount of Rs.19.75 crores and the interest at such rate on fixed deposits parked with Nationalized Bank basing on prevailing highest rate of interest+2%. The amount so advanced plus interest will be recovered from the running bills of the Excavation Contractor over a period of 24 equal monthly installments. The interest lost on account of premature withdrawal of fixed deposits for releasing of the above advance shall also be recovered from the Excavation Contractor as per the decision of the Board of Directors of A.P.Mineral Development Corporation Limited.

6. The VC & MD., A.P.Mineral Development Corporation Limited is informed that the mobilization advance now made available at para-1 above is subject to the condition that the agency buying new machinery. The Agency shall produce invoices and the machinery is also to be inspected to ensure that agencies do not procure substandard/second hand equipment. Further, a close watch is to be maintained for renewal of the Bank Guarantees submitted by M/s. VLC-SCKC JV contractor, from time to time.

7. This order issues with the concurrence of Finance Department vide their U.O.No.8149/465/Exp.I&C/2008, dated:19-8-2008.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Y. SRILAKSHMI
SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director,
A.P.Mineral Development Corporation Limited,
Ameerpet, Hyderabad

Copy to:
The Public Enterprises Department.
The Finance (Expr. I & C) Department.
P.S.to Secretary to Government (I&C) Department.
Sf/Sc.

"A copy of this order is available on the Internet and can be accessed at the address <http://www.ap.gov.in/goir>.

// Forwarded :: By Order //

SECTION OFFICER